

GTA Board of Directors

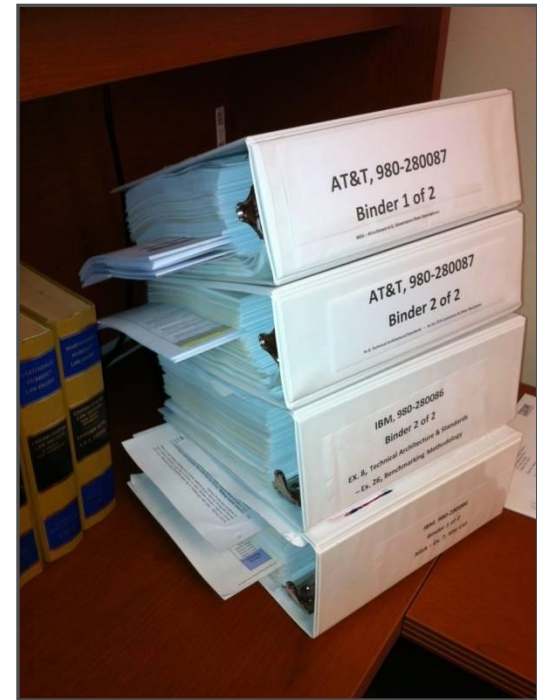
June 9, 2011

Agenda

- **Executive Director's Report**
- **Financial Update**
- **GTA FY 2012 Budget**
- **Board Comments**

GTA Names Chief Compliance Officer

- Doug Shaddix joined leadership team April 1
- **Primary responsibilities include:**
 - Leadership on service provider compliance with outsourcing contracts
 - Guidance to GTA leadership on contract compliance and risk management issues

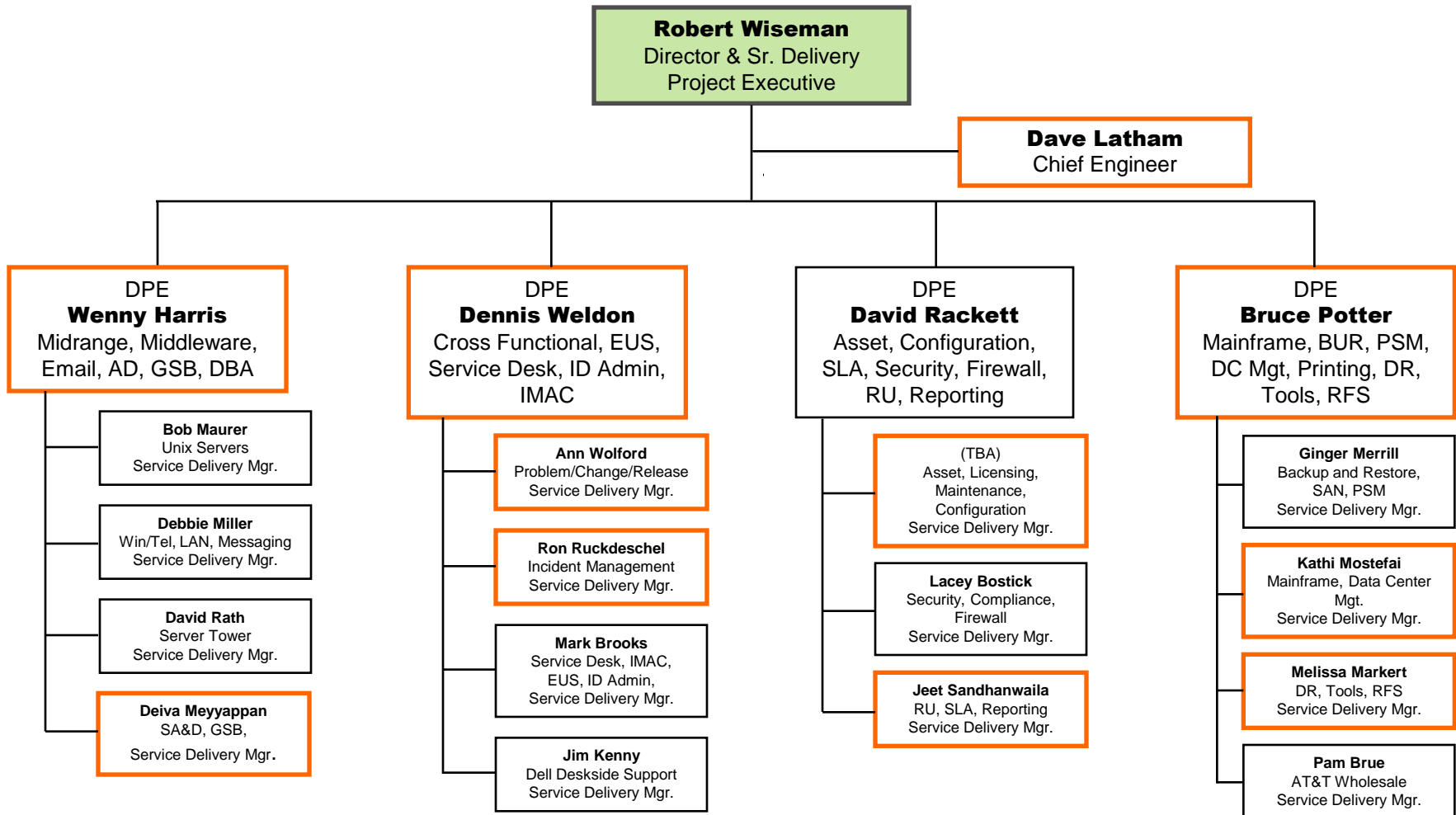


The contracts with IBM and AT&T number in the thousands of pages.

IBM Adds Resources to GETS

- **FTE's increased significantly during 2nd quarter**
- **New staffing added to both daily operations and transformation projects**
- **Increase follows IBM's own assessment of staffing levels and skill sets**
- **Impact won't be apparent overnight**

IBM Leadership

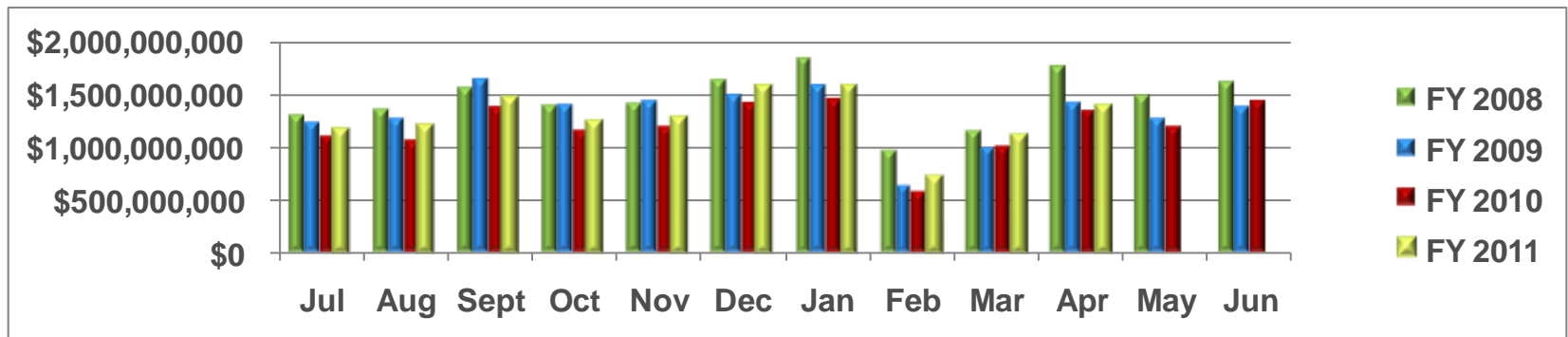


GTA Contracts for 3rd Party Assessments

- **KPMG conducting GETS program “health check”**
- **Industry practice calls for periodic assessments**
- **Areas for review include:**
 - GETS contract
 - Pricing
 - Service levels
 - Transformation
 - Governance
 - Communication
- **Objectives include validating proper alignment of all parties**
- **Key personnel are being interviewed at GTA, core agencies, IBM and AT&T**
- **Final report expected in early August**
- **North Highland conducting separate assessment of Request for Solution, Customer Solution Proposal processes**
 - Final report expected in early July

Financial Update

State Revenues: FY 08 to FY 11



- State revenues for April 2011 totaled \$1.38 billion, a 2.6% increase over last year
- FY 2011 revenues now total \$12.6 billion, 8.6% higher than last year



GTA Financial Performance – FY 2011

| | FY2011 AOB Budget | FY2011 Projected Revenue & Expense | FY11 Variance to Budget |
|---------------------------------------|-------------------------|--|-------------------------------|
| REVENUES: | | | |
| State Appropriated Funds | \$0 | \$0 | \$0 |
| GTA Administrative Fees | \$13,972,921 | \$13,739,909 | (\$233,012) |
| IBM Infrastructure Revenues | \$112,294,542 | \$112,388,017 | \$93,475 |
| ATT MNS Revenues | \$69,707,815 | \$63,450,868 | (\$6,256,947) |
| Revenues from Sales of Data | \$31,553,927 | \$31,837,647 | \$283,720 |
| Revenues from Retained Services | \$11,669,656 | \$9,530,907 | (\$2,138,749) |
| TOTAL REVENUES | \$239,198,861 | \$230,947,349 | (\$8,251,512) |
| EXPENSES: | | | |
| PERSONAL SERVICES | \$20,548,285 | \$19,631,757 | (\$916,527) |
| REGULAR OPERATING | \$1,951,824 | \$673,503 | (\$1,278,321) |
| IT SUPPLIES & SOFTWARE | \$8,921,093 | \$6,519,294 | (\$2,401,799) |
| REAL ESTATE RENTALS | \$1,740,175 | \$1,696,669 | (\$43,506) |
| TELECOMMUNICATIONS | \$6,601,707 | \$5,209,195 | (\$1,392,512) |
| CONTRACTS | \$194,640,666 | \$180,247,647 | (\$14,393,019) |
| TRANSFERS | \$1,900,000 | \$1,841,425 | (\$58,575) |
| TOTAL EXPENSES | \$236,303,750 | \$215,819,490 | (\$20,484,260) |
| Budget Basis Surplus/(Deficit) | \$2,895,111 | \$15,127,859 | |
| Positions | 165 | 165 | - |
| Non-Budgeted FY11 Transfers: | (\$49,097,515) | (\$49,097,515) | |
| Net Income / (Loss) | (\$46,202,404) | (\$33,969,656) | |

GTA Financial Performance – FY 2011

- **Transfers to Office of Treasury & Fiscal Services – \$49M**
 - \$26.1 million for GETS agency technology transformation
 - \$18 million for federal government repayment (funds transferred to Treasury to cover state revenue shortfall)
 - \$4.9 million additional transfer for state revenue shortfall
- **\$24.2 million projected operating fund balance, year ending June 30, 2011**
- **Continuous focus on Accounts Receivable**
 - AR as of April 30th – \$33.6 million
 - 153 customers 60+ days past due – \$1,050,108
 - 136 customers 90+ days past due – \$233,271



GTA FY 2012 Budget

FY 2012 Proposed Budget Highlights

- **Decrease in GETS provider pricing**
 - \$10.5 million reduced revenue and expense due to lower provider pricing built into the vendor contracts
- **Statewide increase for employer fringe rates**
 - Statewide budget increased employer share of health insurance and retirement rates
 - GTA does not receive state funds to offset this increase
- **GTA's GETS provider cost is down**
 - \$2.9 million reduced budget for GTA's cost for IBM and AT&T services



Proposed Budget – FY 2012

| | FY2011 AOB Budget | FY2012 AOB Budget | FY11 to FY12 Variance to Budget |
|---------------------------------------|-------------------------|-------------------------|---------------------------------------|
| REVENUES: | | | |
| State Appropriated Funds | \$0 | \$0 | \$0 |
| GTA Administrative Fees | \$13,972,921 | \$13,739,909 | (\$233,012) |
| IBM Infrastructure Revenues | \$112,294,542 | \$108,602,708 | (\$3,691,834) |
| ATT MNS Revenues | \$69,707,815 | \$62,845,459 | (\$6,862,356) |
| Revenues from Sales of Data | \$31,553,927 | \$31,837,647 | \$283,720 |
| Revenues from Retained Services | \$11,669,656 | \$10,891,000 | (\$778,656) |
| TOTAL REVENUES | \$239,198,861 | \$227,916,723 | (\$11,282,138) |
| EXPENSES: | | | |
| PERSONAL SERVICES | \$20,548,285 | \$21,998,587 | \$1,450,302 |
| REGULAR OPERATING | \$1,951,824 | \$1,326,452 | (\$625,372) |
| IT SUPPLIES & SOFTWARE | \$8,921,093 | \$6,219,249 | (\$2,701,844) |
| REAL ESTATE RENTALS | \$1,740,175 | \$1,759,821 | \$19,646 |
| TELECOMMUNICATIONS | \$6,601,707 | \$3,629,366 | (\$2,972,341) |
| CONTRACTS | \$194,640,666 | \$184,897,626 | (\$9,743,040) |
| TRANSFERS | \$1,900,000 | \$2,000,000 | \$100,000 |
| TOTAL EXPENSES | \$236,303,750 | \$221,831,101 | (\$14,472,649) |
| Budget Basis Surplus/(Deficit) | \$2,895,111 | \$6,085,622 | |
| Positions | 165 | 165 | - |
| Non-Budgeted FY11 Transfers: | (\$49,097,515) | (\$20,972,832) | |
| Net Income / (Loss) | (\$46,202,404) | (\$14,887,210) | |



Georgia